MIKE JOHANNS NEBRASKA

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United States Senate

WASHINGTON, DC 20510

July 15, 2009

COMMITTEES: AGRICULTURE, NUTRITION AND **FORESTRY**

> BANKING, HOUSING AND **URBAN AFFAIRS**

COMMERCE, SCIENCE AND TRANSPORTATION

VETERANS' AFFAIRS

INDIAN AFFAIRS

Dr. Dermot J. Hayes Dr. Jacinto Fabiosa Food and Agricultural Policy Research Institute Iowa State University 578 Heady Hall Ames, Iowa 50011-1070

Dear Dr. Hayes and Dr. Fabiosa:

Thank you for your expeditious work on FAPRI's recently issued report, "The Effect of Higher Energy Prices from H.R. 2454 on Missouri Crop Production Costs." Your efforts help us gain a better understanding of the impact cap-and-trade legislation could have on Midwest crop producers.

I write to request that FAPRI complete a similar state-by-state assessment of the effect of H.R. 2454 on production agriculture costs nationwide, utilizing the same assumptions incorporated in your Missouri farm analysis.

As you know, corn is my home state of Nebraska's number one crop, and corn production, with its heavy emphasis on energy-based crop nutrient requirements, will be one of the most adversely affected crops by the increased energy costs imposed by the pending legislation. Many agricultural producers in other states are facing similar scenarios. Please provide production cost analysis of the major agricultural products grown in the United States, including corn, soybean, wheat, cotton, rice, sugar (beet and cane), and specialty crop production, as well as dairy cattle, beef cattle, pork and other livestock production.

We have a responsibility to seek a full understanding of this legislation's effect on agriculture. The information we are requesting is critical to helping the Senate develop a clearer picture of how much costs are going to increase for farmers and ranchers, which parts of the country will be most severely impacted, and which commodities within agriculture will incur the greatest losses as a result of this bill.

Thank you in advance for your assistance.

Sincerely,

Mike Johanns

U.S. Senator